

TESTIMONY OF DON JUDGE IN SUPPORT OF HOUSE BILL 603

An Act allowing state and political subdivisions to include labor requirements for public works contracts.

Mr. Chairman, members of the committee, for the record I am Don Judge and I appear here today on behalf of myself at the request of the sponsor to offer my support of House Bill 603. This is a simple bill which attempts to strike one word from current statute that prohibits project labor agreements on public works projects. With the striking of that word it becomes "**permissible**" not mandatory, for state and local governments to engage in project labor agreements on construction and non-construction projects.

For those of you who only know me as a lobbyist for the Montana Nurses' Association or a lobbyist for the Montana Injured Workers' Resource Council I should establish why Rep. Hollenbaugh requested that I testify and why I have an interest in this bill.

In my previous life I served as the elected Executive Secretary of the Montana State AFL-CIO, the umbrella organization of AFL-CIO affiliated unions throughout the state, including almost all of the building and construction trade unions in Montana. As such I was deeply interested in the issues that concerned our unions and their members and was active in trying to defeat the prohibition against project labor agreements passed in 1999.

So, just what is a Project Labor Agreement? In short, it's a pre-project, multi-employer, multi-union pre-hire agreement designed to systemize labor relations on a particular project. Such agreements typically require all contractors and subcontractors to abide by a master collective bargaining agreement which can cover the following elements:

Wages, hours and other terms of employment.

Procedures for resolving jurisdictional disputes between unions.

Guarantees against strikes and lockouts.

Measures to ensure a reliable source of skilled and experienced labor.

Employment opportunities for local residents.

Why would such agreements be positive for governmental entities or contractors? Frankly, because they eliminate sources of potential strife, lock in operating costs and ensure quality work. And, union contractors with union workers tend to have lower rates of job related injuries, established safety programs and thus reduce the ever rising costs of workers' compensation.

As I indicated, I was here in 1999 when the current law was passed to outlaw project labor agreements. Proponents at that time were suggesting that the law only benefited unions and that costs for construction would go down as a result of its passage. I would

suggest to you that no empirical evidence of any cost reduction can be shown, as the costs associated with construction have continued to climb since passage of the current prohibition in 1999.

So, why would we want to return to a permissible law allowing Project Labor Agreements for public entities?

Frankly, because Montana may soon experience a boatload of new construction projects related to the passage of the Federal Economic Recovery Plan and we may want to ensure that Montana Contractors, Montana Workers and Montana Communities are the beneficiaries of those projects.

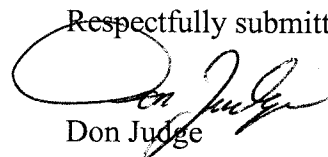
With rising unemployment throughout the nation and building construction deeply impacted by the housing crisis, workers, and contractors throughout the country will be looking for jobs. With Project Labor Agreements we can negotiate that those jobs be available for Montana Workers, not just those workers who come with their contractors from other states. We can guarantee that they will be jobs for our citizens and our economy where the wages and profits don't leave the state. And, we can help reduce the costs of workers' compensation by providing jobs with proven health & safety records exceeding the norm in this industry.

Just last week, the President of the United States signed an executive order declaring that Project Labor Agreements are allowable in federally-funded construction projects, paving the way for construction and community stability in the wake of the new recovery package. But, because many of these projects may involve a mix of federal and other monies it is important that Montana follow suit by making it permissible here, as well.

Mr. Chairman, members of the committee, HB 603 is a good bill to allow state and local governments access to one more tool in their box of tools as they attempt to do the best they can for the communities and taxpayers they represent. It mandates nothing, but it does allow for those persons closest to the projects being proposed to use their best judgment on how to get the job done right. I encourage you to have faith in our public officials to do what is right in their own communities just as they have faith in you to do what's right here at the state capitol.

I urge your support of House Bill 603.

Respectfully submitted,



Don Judge